



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

May 19, 2008

Trish Dorsey, Managing Director
Workforce Development
Goodwill Industries of Santa Clara County
1080 N. 7th Street
San Jose, CA 95112

RE: FINAL VISIT REPORT for Goodwill Industries (New Hires) – ET06-0254

Date of the Visit:	01/28/08 (Report preparation delayed while ETP analyst on medical leave).
Beginning/Ending Time:	1:16 p.m. – 3:30 p.m.
Date of Previous Visit:	06/26/07
Visit Location:	Goodwill of Santa Clara county training site in San Jose, CA.
Persons in attendance:	Trish Dorsey, Managing Dir. for Workforce Development for Goodwill; Laura Lozoya, Goodwill's administrator for ETP; and Diane Woodside, your ETP Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	04/17/06 – 04/16/08	Agreement Amount:	\$236,804
Type of Trainee:	New-Hire	No. to Retain:	53
Date Training must be completed:	01/17/08	Range of Hours:	60 - 300
		Weighted Ave. Hours:	157

BACKGROUND:

Goodwill Industries of Santa Clara County (Goodwill) has been in existence since 1916 and is located in San Jose, California. In 1976, Goodwill created a separate division, the Institute of Career Development (ICD) to provide training and job placement services for the unemployed and under-employed in Santa Clara and San Benito counties. ICD is a fully licensed, private, post-secondary school specializing in providing vocational services that meet the current needs of employers. The center's facilities include a state-of-the-art computer laboratory and staff offering a full range of support services to ensure positive employment outcomes for program graduates.

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SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

Under this training contract, ICD proposed a minimum of 100 to a maximum of 300 hours of ETP-funded classroom instruction in Business and Computer Skills to 53 new-hire trainees to prepare them for jobs as either: (1) Accounting Associates (2) Administrative Office Specialists (3) Customer Service Representatives; and (4) Logistics Technician/Warehouseperson.

FINAL PROJECT STATS:

Trainees Started Training:	97	Completed Training:	67
Trainees Enrolled:	94	Trainees Placed	67
Dropped Following Enrollment:	56	In Retention Period:	0
No. Completed Minimum of 24 Reimbursable Hours :	67	Completed Retention:	24 + 6 placements in review

FINAL REPORT SUMMARY:

Training began on 4/26/06. The ETP on-line system records that all training was completed on 11/5/07 which allows for the 90-day retention period to be completed within the term ending date of the Agreement. There were no modifications or amendments made to this Agreement. Should all retentions submitted be verified, the Contractor may earn a total reimbursement of \$133,756 (56 percent of the Agreement amount). This percentage is actually above average earnings for a new-hire training program serving the unemployed.

FINAL QUESTIONS WITH RESPONSES FROM CONTRACTOR REPRESENTATIVE PROVIDED BY EMAIL:

- What barriers, if any, did your company experience in implementing your ETP project?

Initially we experienced difficulty in gaining support from some of the local one-stops in the area of outreach. This has improved with a need to improve more.

Another area that has been a challenge has been investing in the training and placement only to have many of these placements not count as eligible for reimbursement. Of the 67 ETP clients trained and placed, only 26 qualified for reimbursement for Goodwill. There were 15 that did not maintain their retention period or 22% which was anticipated by us from the beginning. However, the remaining 26 participants did obtain employment and meet the retention period requirements, but for a variety of reasons, Goodwill was not eligible for reimbursement. Breakdown is as follows:

- Of the 67 ETP Trainees placed in a job:
 - 4 did not qualify for reimbursement because they are making less than \$10.75 an hour.
 - 3 did not qualify for reimbursement because they are working for a Government agency.
 - 5 did not qualify for reimbursement because they are not working full-time.
 - 1 did not qualify for reimbursement because she is working out of the state.
 - 1 individual did not reach retention until her third placement.
 - 12 more reached the retention period at their second placement.
 - 9 either resigned or were laid off within the first 30 days of employment and we haven't been able to place them again.

- 6 either resigned or were laid off within the first 90 days of employment and we haven't been able to place them again.
- Only 26 individuals reached their 90 day retention meeting all of the contract requirements with the first employer they were placed at.

NOTE: We had to submit for special review 9 of the 26 placements because we were not able to get CEANs

- What problems, if any, did your company experience with ETP record keeping?

Record keeping was not a problem at all. The fact that our Monitoring Analyst clearly stated from the beginning what was expected from us, permitted us to strategize to make sure we would capture the data we needed from day one. Being able to upload information into the ETP site really helped us keep track of our trainees. The site is very user friendly and the sample forms provided to us at the "Start-Up Meeting" and those available at the website were a tremendous help.

Something that became a problem was obtaining the CEANs. It turned out to be quite a task to chase these numbers especially when employers didn't seem to know what we were talking about. We did not have a problem recording it, obtaining was the issue.

- What assistance could ETP have provided that would improve the process for future Contractors?

Obtaining the CEAN's. With this challenge, the amount of time staff is spending to obtain these numbers and often times without success; it seems like an uphill battle that we can't win.

Other than that piece, which is significant, we feel that we have received all the support we needed at every stage of this contract, from the application process to submitting our last invoice.

- How did your company benefit from the ETP training?

Being able to provide vocational training to those unemployed gave Goodwill's Institute for Career Development (ICD) an opportunity to reach out to a broader population. In fact, enrollments in our training programs more than doubled since we first implemented this contract.

ICD also gained exposure to different agencies serving the unemployed that either referred their clients to us or accepted referrals from us.

The requirements of this contract also forced us to strengthen our placement unit and as a result, we now have tighter relationships with a wide variety of employers.

Analyst Response: ETP staff of the regional office did attempt to find CEAN numbers for the Contractor, but sometimes it was not possible because the addresses did not match. The analyst also suggested that the Contractor submit all placements for a special review and appeal those where the 90-days of retention occurred outside of the Agreement period and/or where the quota on non-profit/government placements exceeded the cap.

PROJECT ADMINISTRATION/TRACKING ATTENDANCE ROSTERS:

Goodwill's administrative staff person, Laura Lozoya, performed all activities relating to certification of new-hire trainees, entering enrollment data, and class/lab hours into ETP's on-line tracking system. During this visit, your analyst made a review of a sample of rosters for trainees for whom Goodwill will earn final payments. All rosters appear to be in order. Please note that the finding that the ETP documentation is in order is based only on the training records reviewed during this visit and represents only a limited sample of the training records completed to date. It is Goodwill's responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes. Note: Because this training is open entry, open exit, your analyst approved a training roster that is kept for each individual trainee. However, your MIS is capable of providing a printed report of all attendees in all programs on a daily basis to determine compliance with the trainer/trainee ratio of 1:15. The MIS listing includes both ETP and non-ETP trainees.

Invoices

The closeout invoice has been submitted to ETP's Fiscal Unit and is in the process of being reviewed. Your analyst submitted an email alert to the Fiscal Unit notifying them of a possible overpayment of \$20,149 (Paid to date of \$153,905.75 minus possible earnings of \$133,756). The analyst requested that the overpayment be paid from funds earned under ET08-0201. However, this determination will be made in Sacramento and communicated to the Contractor as soon as the final placements are verified. Your analyst also reiterated that all placements should be submitted to Sacramento and that some may be determined to be eligible for reimbursement upon appeal.

AUDIT:

At this time there are no other actions to be taken by Goodwill Industries of Santa Clara County. However, please be aware that the Agreement remains subject to an audit. You will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information in this letter, please contact Diane Woodside, at 650-655-6935 or at dwoodside@etp.ca.gov, within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink that reads "Creighton Chan". The signature is fluid and cursive, with the first name "Creighton" written in a larger, more prominent script than the last name "Chan".

Creighton Chan, Manager
San Francisco Bay Area Regional Office

A handwritten signature in black ink that reads "Diane Woodside". The signature is written in a cursive style, with the first name "Diane" and last name "Woodside" clearly legible.

Diane Woodside, Analyst
San Francisco Bay Area Regional Office

cc: Laura Lozoya, Goodwill ETP Administrator

David Guzman, ETP Operations Chief
Kulbir Mayall, ETP Fiscal Unit Manager
Master File
Project File

Date Report Sent to Contractor: 5/20/08